

Message Text

UNCLASSIFIED

PAGE 01 DACCA 04557 271001Z
ACTION OPIC-06

INFO OCT-01 NEA-10 ISO-00 EB-08 /025 W
-----088553 271016Z /20
R 260421Z JUL 78
FM AMEMBASSY DACCA
TO SECSTATE WASHDC 0196

UNCLAS DACCA 4557

C O R R E C T E D C O P Y (TEXT PARA 4 LINE 2)

PASS OPIC, ATTN. MS. JACQUELINE CRUMPLER, APPLICATIONS OFFICER,
INSURANCE DIVISION

E.O. 11652: N/A

TAGS : EINV, OPIC, BG

SUBJECT : REQUEST FOR REGISTRATION FOR OPIC INSURANCE BY
FISCHBACH AND MOORE INTERNATIONAL CORP. (388-78-226):
EMBASSY'S PRELIMINARY COMMENTS

REF: (A) OPIC MEMORANDUM DTD 6/20/78, (B) CRUMPLER/CARLSON
LETTER DTD 7/13/78

1. FISCHBACH AND MOORE INTERNATIONAL IS ONE OF TWO U.S. COMPANIES WHICH HAVE SUBMITTED BIDS FOR CONSTRUCTION OF THE KARNAFULI THIRD HYDRO UNIT AT KAPTAI RESERVOIR, BANGLADESH. THIS 50-MEGAWATT GENERATOR, ADDED TO TWO EXISTING 40-MEGAWATT UNITS, WILL BRING TO COMPLETION CONSTRUCTION ON THE KARNAFULI DAM WHICH BEGAN IN THE LATE 1950'S. THE THIRD GENERATOR WAS TO HAVE BEEN CONSTRUCTED IN 1971 BUT WORK ON THE PROJECT WAS DISRUPTED BY THE INDEPENDENCE WAR. USAID, WHICH FINANCED CONSTRUCTION OF THE DAM AND THE FIRST TWO GENERATORS, HAS MADE A CONCESSIONAL LOAN TO THE GOVERNMENT OF BANGLADESH (BDG) TO COVER CONSTRUCTION OF THE THIRD UNIT.

2. FISCHBACH AND MOORE IS SEEKING OPIC INSURANCE TO COVER
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 DACCA 04557 271001Z

ITS INVESTMENTS IN CONSTRUCTION EQUIPMENT AND PORTABLE HOUSING TO BE USED ON THE PROJECT. REQUIRED EQUIPMENT WILL INCLUDE CRANES, A REFRIGERATION PLANT, A RESCREENING PLANT, WELDERS, PUMPS, AIR COMPRESSORS, A SANDBLASTING RIG, A FRONT END LOADER, DUMP TRUCKS, FLAT BED TRUCKS, A FORKLIFT AND VARIOUS OTHER VEHICLES. THE COST OF THIS EQUIPMENT IS ESTIMATED TO BE ABOUT ONE MILLION DOLLARS. IN ADDITION, THE

COMPANY EXPECTS THAT IT WILL BE NECESSARY TO PROVIDE PREFABRICATED HOUSING FOR EXPATRIATE PERSONNEL ENGAGED FOR THE PROJECT.

3. COMPLETION OF A THIRD POWER UNIT WILL BRING TOTAL GENERATING CAPACITY IN THE EASTERN GRID OF BANGLADESH'S POWER SYSTEM TO 443 MEGAWATTS OF WHICH 250 MEGAWATTS IS CONSIDERED FIRM CAPACITY. BY MID-1980 (ESTIMATED COMPLETION DATE) IT IS EXPECTED THAT THE THIRD GENERATOR WILL BE NEEDED TO SATISFY PEAK LOAD REQUIREMENTS ON THE EASTERN GRID. SHOULD THE THIRD GENERATOR'S CAPACITY BE SURPLUS TO EASTERN GRID REQUIREMENTS AT THAT POINT IT CAN BE SUBSTITUTED FOR GAS OR OIL BURNING THERMAL GENERATORS. WITH THE EXPECTED COMPLETION OF THE EAST-WEST INTERCONNECTOR IN THE MID-1980'S ANY SURPLUS CAPACITY REMAINING IN THE EASTERN POWER GRID WILL BE NEEDED TO ALLEVIATE POWER SHORTAGES IN THE COUNTRY'S WESTERN GRID.

4. THE BENEFITS OF THIS PROJECT WILL EXTEND BEYOND THE ADDITIONAL POWER WHICH IT WILL MAKE AVAILABLE. IF SURPLUS CAPACITY EXISTS AT THE TIME OF ITS COMPLETION, OPERATION OF THE THIRD GENERATOR IN LIEU OF FOSSIL FUEL-RUN PLANTS WILL ALLOW SIGNIFICANT SAVINGS OF BANGLADESH'S GAS RESOURCES AND FOREIGN EXCHANGE WHICH WOULD OTHERWISE BE SPENT FOR OIL BURNING THERMAL GENERATORS. ULTIMATELY THE AVAILABILITY OF ADDITIONAL ELECTRIC POWER IS NECESSARY FOR INCREASING PRODUCTION AND EMPLOYMENT AND CONSEQUENTLY THE COUNTRY'S OVERALL ECONOMIC DEVELOPMENT.

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 DACCA 04557 271001Z

tion and employment and consequently the country's overall economic development.

SCHNEIDER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: INSURANCE, INVESTMENT GUARANTEES
Control Number: n/a
Copy: SINGLE
Draft Date: 26 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978DACCA04557
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780343-0630, D780307-0779
Format: TEL
From: DACCA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780720/aaaaaqvl.tel
Line Count: 97
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f4fde66c-c288-dd11-92da-001cc4696bcc
Office: ACTION OPIC
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1887059
Secure: OPEN
Status: NATIVE
Subject: REQUEST FOR REGISTRATION FOR OPIC INSURANCE BY FISCHBACH AND MOORE INTERNATIONAL CORP. (388-78-226): EMBASSY'S PRELIMINARY COMMENTS
TAGS: EINV, BG, OPIC, FISHBACK & MOORE INTERNATIONAL CORP
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/f4fde66c-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014